

# Winning in the high-net-worth segment in US wealth management



The high-net-worth (HNW) segment (\$2M-\$25M in investable assets) in the US has significant wealth pools



**\$19T**  
in investable assets



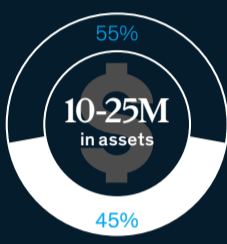
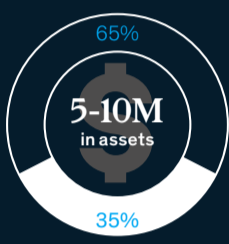
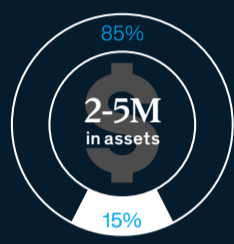
**~\$140B**  
in revenue pools



**+\$1T**  
in annual flows

While the primary source of wealth for the lower end of HNW segment is salary/business income, clients with more than \$5M in investable assets accumulate notable amount of wealth through one-time events

Salary/business income
  One-time income (inheritance, legal settlement, sale of business, etc.)



## The impact of COVID-19 has shifted the product needs of HNW investors

Percentage clients that started/revisited the following services since the crisis began



33% Tax optimization



28% Retirement products



24% Market downside protection



21% Cashflow planning



14% Trust accounts



10% Active portfolio management

## We see 8 ways to grow and deepen client relationships in the HNW segment



### Engage affluent clients in their early and mid 30s

Clients in the \$5M-\$10M and >\$10M segments start financial advisor relationships at the age of ~35, when they have roughly \$500K. 60% still work with the same advisor they started with



### Increase advisor-client communication frequency

~25 percentage-point increase in satisfaction when advisor interacts with the client weekly vs. quarterly; higher satisfaction translates to ~15 percentage-point jump in share of wallet



### Tailor your strategy across profiles

HNW segment is highly heterogeneous with differences based on life stages and sources of wealth. Distinct needs and behaviors emerge for clients with more than \$10M in investable assets



### Focus on value delivery and transparency

65% of HNW clients are comfortable paying higher fee but expect premium (e.g., white-glove service, faster transactions, access to market research, better returns); value for money is the #1 driver of brand loyalty



### Maximize the value of banking through a holistic offering

~50% of +\$5M consumers consolidate banking and wealth relationships, with money market and mortgage accounts being the most common products



### Engage strategically to capture liquidity moments

50% clients who accumulated wealth through a legal settlement changed their advisor at that time



### Continue to invest in people and expertise, as few HNW individuals want digital-only service

60% care about qualifications and team of experts and only 6% are comfortable with digital-only model



### Aim to be everything to your key target client

40% of investors have only one advisor and these clients consolidate 80% of their wallet at primary firm vs. ~55% for clients with 2 advisors



Do you have the right HNW strategy in place?